

H.861 – Employer Assessment

May 5, 2006

- Asks employers who don't currently contribute to their employees' health care costs to help pay for the Catamount Health program.
- Assessment is on three groups of employees:
 - All employees of employers who do not offer insurance to anyone
 - Employees of employers who offer insurance to some employees, but who are not eligible themselves.
 - Employees who are eligible for coverage through their employer plans, but chose not to enroll, and are uninsured.
- The assessment is calculated quarterly, and is based on Full Time Equivalents (FTEs). An FTE is an employee who works 40 hours a week for 13 weeks. Employees who work part time, or not for the entire quarter, are converted by dividing their actual hours worked by 520 (40 hours X 13 weeks).
- For the first two years (2007 and 2008), eight FTEs are excluded from the calculation of the assessment. For example, if a firm has 10 FTEs who are not offered coverage, the assessment is based on two employees. In the third year, the exemption is six FTEs. In the fourth year, it is four FTEs.
- The assessment is \$365 per FTE in the first year, and will increase at the same rate as the premiums in Catamount Health (estimated at 6.5% per year).

Computing Assessment (Examples)

| Employer (employees) | FTEs, First 8 Exempted | | | | Annual Assessment | Notes |
|-------------------------|-------------------------|----------------------|---|--|----------------------|---|
| | Not Offered Coverage | Offered, Enrolled | Offered, not Enrolled, Covered Elsewhere | Offered, Not Enrolled, Uninsured | | |
| A (28) | 0 | 10 | 10 | 8 | \$0 | 8 count toward assessment, all exempted |
| B (48) | 4 | 20 | 20 | 4 | \$0 | 8 count, all exempted |
| C (9) | 9 | 0 | 0 | 0 | \$365 | Emp. doesn't offer. 9 count, first 8 exempted |
| D (20) | 0 | 8 | 3 | 9 | \$365 | Emp offers, 9 uninsured, 8 exempted |
| E (18) | 18 | 0 | 0 | 0 | \$3,650 | Emp. doesn't offer. 18 count, 8 exempted |
| F (89) | 9 | 50 | 21 | 9 | \$3,650 | Emp offers to most, but not all. 8 exempted |

Gray = Counts toward assessment